

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re:

W.R. GRACE & CO., *et al.*,

Debtors.

Chapter 11

Case No. 01-01139 (JKF)

Jointly Administered

**LONDON MARKET INSURERS'  
OBJECTIONS TO DEBTORS'  
DISCLOSURE OF A CONFIDENTIAL  
SETTLEMENT AGREEMENT AND  
RELEASE BETWEEN GRACE AND  
LONDON MARKET INSURERS IN  
DEBTORS' MOTION FOR AN ORDER  
APPROVING THE PRIVILEGED AND  
CONFIDENTIAL SETTLEMENT  
AGREEMENT AND RELEASE WITH THE  
KWELMB COMPANIES**

**FILED UNDER SEAL**

These objections are filed on behalf of Certain Underwriters at Lloyd's, London and certain London Market Companies ("Underwriters and Companies"), who were parties to a Confidential Settlement Agreement and Release, effective September 26, 1996, between W.R. Grace & Co. and W.R. Grace & Co.-Conn. Specifically, Underwriters and Companies object to the disclosure of the September 26, 1996 Agreement in Debtor's Motion for an Order Approving the Privileged and Confidential Settlement Agreement and Release with the KWELMB Companies, dated September 22, 2003. This motion attaches as Exhibit "A" a copy of the September 26, 1996 Agreement, in violation of the confidentiality provisions of said agreement.

Although Underwriters and Companies do not object to the settlement between Debtors and the KWELMB Companies, they object to Debtors' attachment of the September 26, 1996 agreement to their motion. Such disclosure breaches the undertaking among the parties to that

agreement to keep that agreement confidential. Underwriters and Companies affirm their intention to continue to honor the Agreement and express their expectation that W.R. Grace & Co. and W.R. Grace & Co.-Conn. will do the same. Underwriters and Companies reserve the right to seek any appropriate relief, including damages, if any, which may result from this unauthorized disclosure.

DATED: October 10, 2003

Respectfully submitted,

/s/ John S. Spadaro

John S. Spadaro, Esquire  
Murphy Spadaro & Landon  
824 Market Street  
Suite 700  
Wilmington, DE 19801  
Tel: (302) 654-4600  
Fax: (302) 654-4775

*Of Counsel:*

MENDES & MOUNT, LLP  
Eileen T. McCabe, Esq.  
Anna R. Newsom, Esq.  
750 Seventh Avenue  
New York, NY 10019  
(212)261-8000

BAACH ROBINSON & LEWIS PLLC  
Joseph L. Ruby, Esq.  
One Thomas Circle, NW, #200  
Washington, DC 20005  
(202) 833-8900